

What is claimed is:

1. An improved method of allocating employer costs for employee health benefits, comprising the steps of:

providing a state-governed fully-insured health insurance policy to a group of employees as a non-taxed compensation to an employee, but as a tax deductible expense to the employer;

conditioning a benefit under the policy for the employee to participation in a voluntary wellness program.

2. The method of claim 1 wherein said wellness program includes a wellness category that includes at least one of a tobacco free category, a normal blood pressure category, a non-overweight category and a regular exercise category.

3. The method of claim 2 including the steps of:

providing an ERISA governed health insurance policy to employees as a non-taxed benefit to an employee, but as a tax deductible expense;

structuring the state-governed fully-insured health insurance policy to cover a healthcare expense not covered by the ERISA governed health insurance policy.

4. The method of claim 3 wherein a conditional benefit under the state-governed fully-insured health insurance policy includes coverage for at least a portion of a claim falling within a deductible for the ERISA governed health insurance policy

5. The method of claim 2 includes the steps of:
 - increasing a deductible on the ERISA governed health insurance policy relative to a previously provided ERISA governed health insurance policy; and
 - making a conditional benefit under the state-governed fully-insured health insurance policy cover at least a portion of the deductible increase.
6. The method of claim 1 wherein said wellness program includes at least one illness screening; and
 - said step of conditioning a benefit includes a step of conditioning coverage for at least a portion of an identified illness to employee participation in an illness screening for the identified illness.
7. The method of claim 6 wherein an identified illness includes at least one of cancer, heart disease, abnormal vision, abnormal orality, and mental illness; and
 - said at least one illness screening includes a cancer screen, a heart disease screen, an abnormal vision screen, an abnormal orality screen and a mental illness screen.
8. The method of claim 1 wherein said wellness program includes at least one of wellness education, disease inoculation, injury prevention and voluntary public service.
9. The method of claim 1 including a step of providing employees with opportunities to at least one of improve and monitor their wellness condition.

10. An employer provided health insurance product comprising: a state-governed fully-insured health insurance policy for a group of employees that is a tax deductible expense to the employer while being non-taxed compensation to an employee;

at least one conditional benefit under the policy for the employee being conditioned on voluntary participation in at least a portion of a wellness program.

11. The employer provided health insurance product of claim 10 wherein said wellness program includes at least one wellness category that includes at least one of a tobacco free category, a normal blood pressure category, a non-overweight category and a regular exercise category.

12. The employer provided health insurance product of claim 10 wherein said wellness program includes illness screening for at least one identified illness; and

 said conditional benefit includes at least partial coverage for said identified illness.

13. The employer provided health insurance product of claim 10 wherein said wellness program includes at least one of wellness education, disease inoculation, injury prevention and voluntary public service.

14. The insurance product of claim 10 including an ERISA governed health insurance policy for the plurality of employees that is a companion to the state-governed fully-insured health insurance policy;

 a conditional benefit under the state-governed fully-insured health insurance policy covering a healthcare expense not covered by the ERISA governed health insurance policy.

15. A method of administering a health plan for a group of employees, comprising the steps of:

determining whether a conditional benefit under a state-governed fully-insured health insurance policy is available to an employee making a claim at least in part by determining whether the employee is a participant in a voluntary wellness program; and

processing the claim with respect to the state-governed fully-insured health insurance policy if the conditional benefit is available to the employee.

16. The method of claim 15 including a step of processing the claim with respect to an ERISA governed health insurance policy that is a companion to the state-governed fully-insured health insurance policy.

17. The method of claim 16 wherein the processing steps include the steps of:

applying the claim to a deductible under the ERISA governed health insurance policy; and

paying at least a portion of the claim under state-governed fully-insured health insurance policy.

18. The method of claim 15 wherein said wellness program includes at least one wellness category that includes at least one of a tobacco free category, a normal blood pressure category, a non-overweight category and a regular exercise category; and

said processing step includes a step of paying at least a portion of the claim if the employee was a member of at least one of said wellness categories before incurring the claim.

19. The method of claim 15 wherein said wellness program includes an illness screening for at least one identified illness; and said determining step includes a step of determining if the claim is based at least in part on said identified illness and whether the employee participated in an illness screening for said identified illness before incurring the claim.

20. The method of claim 15 wherein said wellness program includes at least one of wellness education, disease inoculation, injury prevention and voluntary public service; and said determining step includes a step of determining whether the employee participated in at least one of wellness education, disease inoculation, injury prevention and voluntary public service before incurring the claim.